

FISCAL NOTE

HB 2119 - SB 2361

February 21, 1998

SUMMARY OF BILL: Provides for the enactment of the *Provider-Sponsored Organization Act of 1998*. It creates and provides for the regulation and licensing of a "limited service licensed provider-sponsored network." An LSLPN is a new type of health care entity to be regulated and licensed by the Department of Commerce and Insurance. An LSLPN is a health care provider that provides certain limited, specific specialties or services.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000
Increase State Expenditures - \$158,000 Recurring
\$ 26,000 One-Time

Estimate assumes that due to competition from LSLPNs, there will be at least a 1% reduction in the premium tax collected from the taxation of HMOs. Under the provisions of this bill there is no formula for the taxation of LSLPNs.

Expenditures estimate assumes:

	<u>Recurring</u>	<u>One-Time</u>
4 positions - salary & benefits	\$149,000	
Office furnishings & equipment		\$23,500
Operational expenses	9,000	
Development of licensing forms		2,500
TOTAL	<u>\$158,000</u>	<u>\$26,000</u>

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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